

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

CALIFORNIA ESTATE OSTERA, INC.,

Plaintiff,

No. C 06-05519 JSW

v.

ORDER TO SHOW CAUSE

RH CAPITAL LLC,

Defendant.

On October 6, 2006, this Court granted the parties' stipulated request seeking a limited consensual stay of the proceedings because they were engaged in efforts to settle their disputes and wished to allow the negotiations to proceed unimpaired by litigation activity. On April 23, 2007, this Court issued an order continuing the stay and requiring submission of joint status reports every sixty days. The parties were specifically admonished to file the reports timely. The last status report was received by this Court on June 19, 2007 indicating that the parties continued to engage in settlement discussions which were progressing toward an agreement that would result in the dismissal of this action. On this basis, the Court maintained the stay currently in place. A further joint status report was due to be filed on August 20, 2007. Nothing has been received by the Court.

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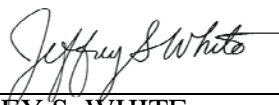
Accordingly, the Court HEREBY ISSUES this Order to show cause:

- (1) why the stay should not be lifted and the motion to dismiss fully briefed and decided;
- (2) why both parties should not be sanctioned for failure to comply with this Court's order requiring the timely submission of joint status reports.

The parties must submit written responses to this Order by no later than September 5, 2007.

IT IS SO ORDERED.

Dated: August 29, 2007



JEFFREY S. WHITE
UNITED STATES DISTRICT JUDGE